VZCZCXRO1685 PP RUEHLMC DE RUEHLP #2393/01 2482119 ZNY CCCCC ZZH P 052119Z SEP 06 FM AMEMBASSY LA PAZ TO RUEHC/SECSTATE WASHDC PRIORITY 0424 INFO RUEHAC/AMEMBASSY ASUNCION 6069 RUEHBO/AMEMBASSY BOGOTA 3390 RUEHBR/AMEMBASSY BRASILIA 7240 RUEHBU/AMEMBASSY BUENOS AIRES 4506 RUEHCV/AMEMBASSY CARACAS 1771 RUEHPE/AMEMBASSY LIMA 1806 RUEHMN/AMEMBASSY MONTEVIDEO 3987 RUEHQT/AMEMBASSY QUITO 4406 RUEHSG/AMEMBASSY SANTIAGO 8975 RHMFISS/HQ USSOUTHCOM MIAMI FL RUMIAAA/USCINCSO MIAMI FL RUEHLMC/MILLENNIUM CHALLENGE CORP RHEBAAA/DEPT OF ENERGY WASHINGTON DC RUEATRS/DEPT OF TREASURY WASHINGTON DC RHEHNSC/NSC WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 02 LA PAZ 002393

STPDIS

SIPDIS

E.O. 12958: DECL: 09/06/2016 TAGS: <u>ECON PGOV PREL BL</u>

SUBJECT: CONSTITUENT ASSEMBLY AT A CROSSROADS

REF: LA PAZ 2372

Classified By: DCM Krishna Urs for reasons 1.4 (b) and (d).

- 11. (C) Summary: The Constituent Assembly is at a crossroads after political disagreements over its rules of order escalated into violence September 1, resulting in MAS delegates approving their own proposal for a majority vote on constitutional changes after opposition parties abandoned the session. The opposition has resisted the MAS' attempts to steamroll the Assembly's rules and the "media luna" is organizing a massive strike for September 8. While the GOB has offered a proposal to end the stand-off, its anti-democratic rhetoric has overshadowed this so-called compromise. The GOB's handling of this conflict to date has exacerbated east-west tension, and neither side seems inclined to give any ground on the Assembly's rules. End summary.
- 12. (SBU) The Constituent Assembly is at a crossroads after political disagreements over its rules of order escalated into violence September 1, resulting in MAS delegates approving their own proposal for a majority vote on constitutional changes after opposition parties abandoned the session (reftel). In the chaos, MAS representative Ramon Loaiza fell, suffering serious head injuries. Press reports confirm that Loaiza, who remains hospitalized in Santa Cruz, emerged from a coma and is responsive, although he is unlikely to resume his position as MAS party leader in the Assembly.
- 13. (SBU) The opposition has resisted the MAS' attempts to steamroll the Assembly's rules and the "media luna" (departments of Santa Cruz, Beni, Pando and Tarija) is planning a massive strike for September 8. Podemos leader Jorge "Tuto" Quiroga has called for OAS and European Union observers for the Assembly. While the opposition appears to be mobilizing, it is unclear whether they will emerge with a unified position, or even return when the Assembly resumes session September 6.
- 14. (SBU) While the GOB has offered a proposal to end the stand-off, its anti-democratic rhetoric has overshadowed this so-called compromise. The GOB "concession" provides for an absolute majority vote on constitutional changes; a 2/3 vote

on the final text (already required by the enabling legislation); a possible modification of the rules of order by 2/3 vote; and a referendum if the Assembly fails to approve the final constitution by 2/3 vote (in contradiction to the enabling legislation, which mandates a 2/3 vote and a popular vote to approve the new constitution). Most view this "compromise" as empty, particularly in light of the GOB's recent rhetoric, which has included statements by Vice President Garcia Linera that the MAS will get its simple majority "one way or another" and Morales' characterization of the opposition and the east as "blood suckers" who want to sabotage the GOB's hydrocarbons nationalization and the Assembly.

¶5. (C) Comment: The GOB's handling of this conflict to date has exacerbated east-west tension. Morales' inflammatory rhetoric will make consensus more difficult, as will his stirring up of the social sectors (Morales first called on them to travel to Sucre to defend the Assembly, but then, apparently realizing this could have precipitated additional violence, attempted to call them off). Neither the MAS nor the opposition seems inclined to give any ground on the Assembly's rules. La Paz Prefect Jose Luis "Pepe Lucho Paredes told the DCM September 5 that he believes a rapid deterioration in the political situation is possible over the next week, particularly given the possibility of a transportation strike in La Paz early next week in support of the opposition. The Assembly is a key element of the MAS party platform and ultimately Morales needs a functioning and legitimate Assembly to move his agenda forward. Given the increasingly politically tense atmosphere, Morales may calculate that now is the time to compromise and step back

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from the brink. End comment. GREENLEE